
FEDERAL HOUSING FINANCE AGENCY



NEWS RELEASE

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2009 CONFORMING LOAN LIMITS TO BE ANNOUNCED BY NOVEMBER 7; IMPLEMENTATION PLAN ESTABLISHED

Washington, DC – The Federal Housing Finance Agency (FHFA) expects to announce 2009 conforming loan limits for Fannie Mae and Freddie Mac by November 7. The limits define the maximum loan size of mortgages that can be purchased by the Enterprises.

Under the Housing and Economic Recovery Act of 2008 (HERA) passed in July, FHFA was directed to set conforming loan limits each year for the nation as a whole as well as for high-cost areas. The rules governing how the loan limits are established differ from the rules set forth in the Economic Stimulus Act of 2008 (ESA), which applies to loans originated in 2008. For example, under ESA, loan limits for high-cost areas were set at 125 percent of local house price medians and the maximum high-cost limit was 175 percent of the national conforming limit (\$729,750 in the continental U.S.) Under HERA, the high-cost area loan limits are 115 percent of local price medians up to a maximum of 150 percent of the national limit. In 2009, if the national limit remains at \$417,000 for one-unit properties, the maximum limit in high-cost areas would be \$625,500 for the continental U.S.

To determine high-cost area limits under HERA for 2009, FHFA will use median home values estimated by the Federal Housing Administration (FHA) of the Department of Housing and Urban Development (HUD). The FHA median prices will be calculated in the coming weeks by FHA for the purpose of determining its 2009 loan limits. Information concerning its process and calculations can be found in the attached addendum.

[Link to Addendum](#)

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The Federal Housing Finance Agency (FHFA) combines the responsibilities of the Office of Federal Housing Enterprise Oversight (OFHEO), the Federal Housing Finance Board (FHFB) and the HUD government-sponsored enterprise (GSE) mission team to regulate Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. Together, these 14 GSEs provide funding for \$6.2 trillion of residential mortgages in the U.S.